



City of Arts & Innovation

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City of Riverside Plans Audits of All Departments on Rotating Basis

Proposed program headed to City Council Tuesday would create five-year continuous schedule

RIVERSIDE, Calif. – City Manager John A. Russo is proposing to systematically audit all city departments on a rotating basis as part of a program headed to the City Council for its endorsement on Tuesday (7/28).

The Financial and Performance Audit Program would audit three departments each year, ensuring that each of the city's 15 departments are audited at least every five years to ensure they are delivering services in the most effective and efficient way.

"A well-run city recognizes that change is constant and that there is always room for improvement," Russo said. "A regular review of each department by qualified experts from outside our organization will identify where we can do better and how we can deliver services in the most cost-effective manner."

Russo proposes to start with the city's largest department – Riverside Public Utilities – and two others, Finance and Human Resources, which interact with all other city departments. The audits will complement the important work already being done by the city's Internal Audit division.

The City Council will help shape the audits through a public scoping session planned for the Aug. 11 City Council meeting. Members of the public also will have the opportunity to provide input.

"City Manager Russo's commitment to self-examination across all departments is commendable," Mayor Rusty Bailey said. "His eagerness to bring a set of 'fresh eyes' to City Hall will ensure Riverside stays at the leading edge in delivering high-quality municipal services."

Russo has hired former Interim City Manager Lee C. McDougal to manage the audit program. McDougal, who has 34 years of experience in local government, oversaw the City's daily operations as Interim City Manager for four months before Russo began work in May.

While Russo will provide overall oversight of the program, McDougal will develop the scope of each audit with the City Council, manage the audit contracts, and report back to the Council. McDougal's compensation as an independent contractor would not exceed \$37,500 per year, plus expenses and mileage, and would be paid out of the City Manager's existing budget.

Internal Audit Manager Cheryl Johannes will provide staff support to McDougal and the auditors, track the audit recommendations, monitor the implementation of recommendations by departments, prepare regular reports, and conduct special audits as needed.

If the City Council endorses the program on Tuesday, a Request for Qualifications seeking potential auditors would be released in early September, and the City Council would be asked to approve contracts in mid-November. Audits would begin in January, 2016 and be presented to the Council in June, 2016. The process then would be repeated with three more departments.

The tentative rotation for audits would be:

Fiscal year 2015/16 – Riverside Public Utilities, Finance, Human Resources

Fiscal year 2016/17 – Riverside Police Department, Community and Economic Development, City Manager's Office

Fiscal year 2017/18 – Riverside Fire Department; Public Works; Parks, Recreation and Community Services

Fiscal year 2018/19 – General Services Department, Innovation and Technology, Museum and Cultural Affairs

Fiscal year 2019/20 – Riverside Public Libraries, City Clerk, City Attorney